Production of alternative fuels

2356. SHRIMATI HEMA MALINI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are taking any steps to reduce the dependence on crude oil;

(b) if so, the details thereof;

(c) when the dependence on crude oil is expected to be reduced; and

(d) by when the commercial production of alternative fuel is expected to start?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Government is promoting use of renewable fuels like ethanol and bio-diesel for reducing the dependence on crude oil.

(b) Oil marketing companies (OMCs) have been marketing 5% ethanol blended gasoline since mid 2001. Demonstration projects are under progress for using 5% and 10% bio-diesel blends on State Transport Undertakings (STU) buses. Ministry of Petroleum and Natural Gas announced a Bio-diesel Purchase Policy, in October 2005, effective 1.1.2006. The policy identifies 20 purchase centres of the public sector oil marketing companies (OMCs) all over the Country where these companies would purchase bio-diesel which meets the standards prescribed by the Bureau of Indian Standards (BIS), from those bio-biesel manufacturers who register with them after satisfying the technical specifications, at a delivered price of Rs. 25/- litre. The price will be reviewed by the OMCs every six months. Depending upon felt need and preparedness, the OMCs could also open more purchase centres. Further, R&D work on Hydrogen as a fuel is also under progress.

(c) Dependence on crude oil will reduce progressively with the introduction of ethanol blended gasoline and bio-diesel blended diesel in a phased manner.

(d) Commercial production of fuel grade ethanol has been in place in the country since 2001 whereas large scale commercial production of bio-diesel is yet to start in India.